

1 HOUSE BILL NO. 13

2 INTRODUCED BY LEWIS

3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION AND THE OFFICE OF BUDGET AND
4 PROGRAM PLANNING5
6 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR PAY AND BENEFITS FOR STATE EMPLOYEES
7 IN THE STATEWIDE, TEACHERS', AND BLUE-COLLAR PAY PLANS; ~~PROVIDING FOR CONTINGENT~~
8 ~~SALARY INCREASES; FREEZING THE STATEWIDE PAY SCHEDULE; FREEZING THE STATEWIDE PAY~~
9 ~~SCHEDULE;~~ INCREASING THE EMPLOYER CONTRIBUTION TO THE EMPLOYEE GROUP BENEFITS
10 PROGRAMS; APPROPRIATING FUNDS FOR THE ~~INCREASE IN THE EMPLOYER CONTRIBUTION TO THE~~
11 ~~EMPLOYEE GROUP BENEFITS PROGRAMS~~ INCREASES AND FOR A PERSONAL SERVICES
12 CONTINGENCY POOL; AMENDING SECTIONS 2-18-301, 2-18-303, 2-18-312, 2-18-313, 2-18-315, AND
13 2-18-703, MCA; AND PROVIDING AN EFFECTIVE DATE."14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:16
17 **Section 1.** Section 2-18-301, MCA, is amended to read:18 **"2-18-301. Purpose and intent of part -- rules.** (1) The purpose of this part is to provide the
19 market-based compensation necessary to attract and retain competent and qualified employees in order to
20 perform the services that the state is required to provide to its citizens.21 (2) It is the intent of the legislature that (2) compensation plans for state employees, excluding those
22 employees excepted under 2-18-103 or 2-18-104 and excluding employees compensated under 2-18-313 and
23 2-18-315, be based on an analysis of the labor market as provided by the department in a salary survey. The
24 salary survey must be submitted to the office of budget and program planning as a part of the information
25 required by 17-7-111.26 (3) Except as provided in 2-18-110, ~~pay adjustments and~~ PAY ADJUSTMENTS AND pay schedules provided
27 for in 2-18-303 and in 2-18-312, 2-18-313, and 2-18-315 supersede any other plan or systems established
28 through collective bargaining after the adjournment of the ~~57th~~ 58th legislature.29 (4) Pay levels provided for in 2-18-312, 2-18-313, and 2-18-315 may not be increased through collective
30 bargaining after adjournment of the ~~57th~~ 58th legislature.

1 (5) Total funds required to implement the pay schedules provided for in 2-18-312, 2-18-313, and
 2 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over
 3 the amount appropriated by the ~~57th~~ 58th legislature.

4 (6) The department shall administer the pay program established by the legislature on the basis of merit,
 5 internal equity, and competitiveness to external labor markets when fiscally able.

6 (7) The department may promulgate rules not inconsistent with the provisions of this part, collective
 7 bargaining statutes, or negotiated contracts to carry out the purposes of this part.

8 (8) Nothing in this part prohibits the board of regents from engaging in negotiations with the collective
 9 bargaining units representing the classified staff of the university system."

10

11 **Section 2.** Section 2-18-303, MCA, is amended to read:

12 **"2-18-303. Procedures for using pay schedules.** (1) The pay ~~schedules~~ schedule provided in
 13 2-18-312 must be implemented as follows:

14 (a) The pay ~~schedules~~ schedule provided in 2-18-312 ~~indicate~~ indicates the entry salary and market
 15 salary for each grade for positions classified under the provisions of part 2 of this chapter.

16 (b) Each employee newly hired by the state of Montana must be hired at the entry rate, except as
 17 provided in subsections (6) through (9).

18 (c) On the first day of the first complete pay period in fiscal year ~~2002~~ 2004, each employee is entitled
 19 to the amount of the employee's base salary as it was on June 30, ~~2001~~ 2003.

20 ~~—— (d) Effective on the first day of the pay period that includes an employee's anniversary date during the~~
 21 ~~fiscal years ending June 30, 2002, and June 30, 2003, the employee's base salary must be increased by 4%~~
 22 ~~or by a lesser amount so that the employee's base salary after the increase does not exceed the maximum~~
 23 ~~salary of the pay grade as provided in subsection (1)(f). An employee's base salary increases resulting from~~
 24 ~~subsection (1)(e) and this subsection may not exceed a maximum of 4% in each fiscal year. For employees hired~~
 25 ~~on or before September 30, 1994, the anniversary date is October 1.~~

26 ~~_____ (d) EFFECTIVE ON THE FIRST DAY OF THE FIRST COMPLETE PAY PERIOD THAT INCLUDES JANUARY 1, 2004, THE~~
 27 ~~BASE SALARY OF EACH EMPLOYEE MUST BE INCREASED BY AN AMOUNT EQUAL TO 45 CENTS AN HOUR OR BY A LESSER~~
 28 ~~AMOUNT SO THAT THE EMPLOYEE'S BASE SALARY AFTER THE INCREASE DOES NOT EXCEED THE MAXIMUM SALARY OF THE~~
 29 ~~PAY GRADE AS PROVIDED IN SUBSECTION (1)(G);~~

30 ~~_____ (E)(D) EFFECTIVE ON THE FIRST DAY OF THE FIRST COMPLETE PAY PERIOD THAT INCLUDES JANUARY 1, 2005,~~

1 THE BASE SALARY OF EACH EMPLOYEE MUST BE INCREASED BY AN AMOUNT EQUAL TO ~~45~~ 25 CENTS AN HOUR OR BY A
 2 LESSER AMOUNT SO THAT THE EMPLOYEE'S BASE SALARY AFTER THE INCREASE DOES NOT EXCEED THE MAXIMUM SALARY
 3 OF THE PAY GRADE AS PROVIDED IN SUBSECTION ~~(1)(G)~~ (1)(F).

4 ~~(e)(d)(F)(E)~~ An employee's base salary may be no less than the entry salary for the employee's assigned
 5 grade.

6 ~~(f)(e)(G)(F)~~ The maximum salary for each grade is determined by subtracting the entry salary from the
 7 market salary and adding that amount to the market salary.

8 ~~(2)(2)~~ The pay ~~schedules~~ schedule provided in 2-18-312 and the provisions of subsection (1) of this
 9 section do not apply to those teachers or blue-collar occupations compensated under the pay schedules
 10 provided in 2-18-313 and 2-18-315.

11 (3) The pay schedules provided in 2-18-313 and 2-18-315 must be implemented as follows:

12 (a) (i) The pay ~~schedules~~ ~~schedule~~ SCHEDULES provided for in 2-18-313 ~~indicate~~ ~~indicates~~ INDICATE the
 13 annual compensation for teachers employed under the authority of the department of corrections or the
 14 department of public health and human services for fiscal years ~~2002~~ 2004 and ~~2003~~ 2005.

15 (ii) The compensation of each teacher on July 1, ~~2004~~ 2003, is the same as it was on June 30, ~~2004~~
 16 2003.

17 ~~_____ (iii) On the first day of the first pay period that includes October 1 of each fiscal year, a teacher employed~~
 18 ~~under the authority of the department of public health and human services or the department of corrections~~
 19 ~~before October 1, 1994, shall advance one step on the appropriate pay schedule adopted in 2-18-313. A teacher~~
 20 ~~hired after October 1, 1994, shall advance on the teacher's actual anniversary date.~~

21 ~~_____ (iii) EFFECTIVE ON THE FIRST DAY OF THE FIRST COMPLETE PAY PERIOD THAT INCLUDES JANUARY 1, 2004, THE~~
 22 ~~BASE SALARY OF EACH TEACHER EMPLOYED IN THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES AND THE~~
 23 ~~DEPARTMENT OF CORRECTIONS IS THE AMOUNT PROVIDED FOR THE TEACHER'S STEP AND EDUCATION LEVEL UNDER~~
 24 ~~2-18-315(2). THIS SUBSECTION (3)(A)(iii) DOES NOT PROVIDE FOR A STEP ADVANCEMENT.~~

25 ~~_____ (iv)(iii) EFFECTIVE ON THE FIRST DAY OF THE FIRST COMPLETE PAY PERIOD THAT INCLUDES JANUARY 1, 2005,~~
 26 ~~THE BASE SALARY OF EACH TEACHER EMPLOYED IN THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES AND THE~~
 27 ~~DEPARTMENT OF CORRECTIONS IS THE AMOUNT PROVIDED FOR THE TEACHER'S STEP AND EDUCATION LEVEL UNDER~~
 28 ~~2-18-315(3) 2-18-313(2). THIS SUBSECTION (3)(A)(iv) (3)(A)(iii) DOES NOT PROVIDE FOR A STEP ADVANCEMENT.~~

29 (b) The pay ~~schedules~~ ~~schedule~~ SCHEDULES provided in 2-18-315 ~~indicate~~ ~~indicates~~ INDICATE the
 30 maximum hourly compensation for fiscal years ending June 30, ~~2002~~ 2004, and June 30, ~~2003~~ 2005, for

1 employees in apprentice trades and crafts and other blue-collar occupations recognized in the state blue-collar
2 classification plan who are members of units that have collectively bargained separate classification and pay
3 plans.

4 (c) The compensation of each employee on the first day of the first pay period in each fiscal year is that
5 amount corresponding to the grade occupied on the last day of the preceding fiscal year.

6 (4) (a) (i) ~~¶ If the legislature authorizes a pay increase for state employees, a~~ member of a bargaining
7 unit may not receive a pay increase until the employer's collective bargaining representative receives written
8 notice that the employee's bargaining unit has ratified a completely integrated collective bargaining agreement
9 ~~covering the biennium ending June 30, 2003.~~

10 (ii) If ratification of a completely integrated collective bargaining agreement, as required by subsection
11 (4)(a)(i), is not completed by ~~July 1, 2004~~ the date on which a legislatively authorized pay increase is
12 implemented, retroactivity to that date may be negotiated.

13 (iii) If ratification of a completely integrated collective bargaining agreement, as required by subsection
14 (4)(a)(i), is not completed by ~~July 1, 2004~~ the date on which a legislatively authorized pay increase is
15 implemented, members of the bargaining unit must continue to receive the compensation that they were
16 receiving ~~as of June 30, 2004~~, until an agreement is ratified.

17 (b) Methods of administration not inconsistent with the purpose of this part and necessary to properly
18 implement the pay schedules and adjustments provided in 2-18-312, 2-18-313, 2-18-315, and this section may
19 be provided for in collective bargaining agreements.

20 (5) The current wage or salary of an employee may not be reduced by the implementation of the pay
21 schedules provided for in 2-18-312, 2-18-313, and 2-18-315.

22 (6) The department may authorize a separate pay schedule for classes of medical professionals if the
23 rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified professionals.

24 (7) (a) The department may develop and implement an alternative pay and classification plan for certain
25 classes, occupations, and work units. Pay for employees in the alternative pay and classification plan may be
26 established and changed based on demonstrated competencies and accomplishments, on the labor market, and
27 on other situations defined by the department.

28 (b) To the extent that the plan applies to employees within a collective bargaining unit, the
29 implementation of the plan is a negotiable subject under 39-31-305.

30 (8) The department may develop programs that enable the department to mitigate problems associated

1 with difficult recruitment, retention, transfer, or other exceptional circumstances. To the extent that the program
 2 applies to employees within a collective bargaining unit, it is a negotiable subject under 39-31-305.

3 (9) The department shall review the competitiveness of the compensation provided to all occupations
 4 under this part. If the department finds that substantial problems exist with recruitment and retention because
 5 of inadequate salaries when compared to competing employers, the department may establish criteria allowing
 6 an adjustment in pay or classification to mitigate the problems. To the extent that these adjustments apply to
 7 employees within a collective bargaining unit, the implementation of these adjustments is a negotiable subject
 8 under 39-31-305."

9

10 **Section 3.** Section 2-18-312, MCA, is amended to read:

11 **"2-18-312. Statewide pay schedules schedule.** (4) The statewide classification pay schedule for the
 12 period beginning on the first day of the first full pay period in fiscal year ~~2002~~ 2004; is as follows:

13 Annual Hours -- ~~2080~~ Note: _____ Does Not Include Insurance

14 Pay Matrix -- State _____ Matrix Type -- Annual

15 Pay Range: Entry Salary to Market Salary

16	GRADE	ENTRY SALARY	MARKET SALARY
17	1	9,075	10,677
18	2	9,776	11,527
19	3	10,529	12,447
20	4	11,346	13,445
21	5	12,262	14,562
22	6	13,316	15,854
23	7	14,456	17,249
24	8	15,748	18,834
25	9	17,135	20,546
26	10	18,676	22,447
27	11	20,365	24,534
28	12	22,241	26,859
29	13	24,286	29,403
30	14	26,560	32,230

1	15	29,074	35,370
2	16	31,884	38,888
3	17	35,036	42,833
4	18	38,339	46,983
5	19	42,039	51,644
6	20	46,170	56,885
7	21	50,754	62,660
8	22	55,877	69,154
9	23	61,655	76,498
10	24	68,147	84,760
11	25	75,329	93,924

12 (2) Effective on the first day of the pay period that includes October 1, 2001, the statewide classification
 13 pay schedule is as follows:

14 Annual Hours -- 2080 Note: Does Not Include Insurance

15 Pay Matrix -- State Matrix Type -- Annual

16 Pay Range: Entry Salary to Market Salary

17	GRADE	ENTRY SALARY	MARKET SALARY
18	1	9,384	11,040
19	2	10,108	11,919
20	3	10,887	12,870
21	4	11,732	13,902
22	5	12,679	15,057
23	6	13,769	16,393
24	7	14,948	17,835
25	8	16,283	19,474
26	9	17,718	21,245
27	10	19,311	23,210
28	11	21,057	25,368
29	12	22,997	27,772
30	13	25,112	30,403

1	14	27,463	33,326
2	15	30,063	36,573
3	16	32,968	40,210
4	17	36,227	44,289
5	18	39,643	48,580
6	19	43,468	53,400
7	20	47,740	58,819
8	21	52,480	64,790
9	22	57,777	71,505
10	23	63,751	79,099
11	24	70,464	87,642
12	25	77,890	97,117

13 ~~(3) Effective on the first day of the pay period that includes October 1, 2002, the statewide classification~~
 14 ~~pay schedule is as follows:~~

15 Annual Hours -- 2080 Note: Does Not Include Insurance
 16 Pay Matrix -- State Matrix Type -- Annual
 17 Pay Range: Entry Salary to Market Salary

18	GRADE	ENTRY SALARY	MARKET SALARY
19	1	9,703	11,415
20	2	10,452	12,324
21	3	11,257	13,308
22	4	12,131	14,375
23	5	13,110	15,569
24	6	14,237	16,950
25	7	15,456	18,442
26	8	16,837	20,136
27	9	18,320	21,967
28	10	19,968	23,999
29	11	21,773	26,231
30	12	23,779	28,716

1	13	25,966	31,436
2	14	28,397	34,459
3	15	31,085	37,816
4	16	34,089	41,577
5	17	37,459	45,795
6	18	40,990	50,232
7	19	44,946	55,215
8	20	49,363	60,819
9	21	54,264	66,993
10	22	59,741	73,936
11	23	65,919	81,788
12	24	72,860	90,622
13	25	80,538	100,419"

14

15 **Section 4.** Section 2-18-313, MCA, is amended to read:

16 **"2-18-313. Teachers' pay ~~schedules~~ schedule SCHEDULES.** ~~(+)(1)~~ The pay schedule for teachers for
 17 the period ~~that includes October 1, 2001, until~~ beginning the first day of the first full pay period ~~that includes~~
 18 October 1, 2002, in fiscal year 2004 is as follows:

19 Annual Hours -- 2080 Note: Does Not Include Insurance

20 Term -- Twelve Months Matrix Type -- Annual

	Education Level						
STEP	BA	BA+15	BA+30	BA+45	BA+60	BA+75	
23	1	26,085	26,867	27,673	28,503	29,359	30,239
24	2	26,867	27,673	28,503	29,358	30,239	31,147
25	3	27,673	28,503	29,358	30,239	31,147	32,082
26	4	28,503	29,358	30,239	31,147	32,082	33,044
27	5	29,358	30,239	31,147	32,082	33,044	34,035
28	6	30,239	31,147	32,082	33,044	34,035	35,056
29	7	31,147	32,082	33,044	34,035	35,056	36,108
30	8	32,082	33,044	34,035	35,056	36,108	37,191

1	9	33,044	34,035	35,056	36,108	37,191	38,307
2	10	34,035	35,056	36,108	37,191	38,307	39,457
3	11	35,056	36,108	37,191	38,307	39,457	40,640
4	12	36,108	37,191	38,307	39,457	40,640	41,858
5	13	37,191	38,307	39,457	40,640	41,858	43,114

6 ~~(2) Effective on the first day of the pay period that includes October 1, 2002, the pay schedule for teachers~~
 7 ~~is as follows:~~

8 Annual Hours -- 2080 Note: Does Not Include Insurance

9 Term -- Twelve Months Matrix Type -- Annual

10	Education Level						
11 STEP	BA	BA+15	BA+30	BA+45	BA+60	BA+75	
12 1	27,129	27,942	28,780	29,643	30,532	31,449	
13 2	27,942	28,780	29,643	30,532	31,449	32,393	
14 3	28,780	29,643	30,532	31,449	32,393	33,365	
15 4	29,643	30,532	31,449	32,393	33,365	34,366	
16 5	30,532	31,449	32,393	33,365	34,366	35,396	
17 6	31,449	32,393	33,365	34,366	35,396	36,459	
18 7	32,393	33,365	34,366	35,396	36,459	37,552	
19 8	33,365	34,366	35,396	36,459	37,552	38,679	
20 9	34,366	35,396	36,459	37,552	38,679	39,840	
21 10	35,396	36,459	37,552	38,679	39,840	41,035	
22 11	36,459	37,552	38,679	39,840	41,035	42,266	
23 12	37,552	38,679	39,840	41,035	42,266	43,532	
24 13	38,679	39,840	41,035	42,266	43,532	44,839	

25 ~~(2) EFFECTIVE ON THE FIRST DAY OF THE FIRST FULL PAY PERIOD THAT INCLUDES JANUARY 1, 2004, THE PAY~~

26 ~~SCHEDULE FOR TEACHERS IS AS FOLLOWS:~~

27 ~~ANNUAL HOURS -- 2080~~ ~~NOTE: DOES NOT INCLUDE INSURANCE~~

28 ~~TERM -- TWELVE MONTHS~~ ~~MATRIX TYPE -- ANNUAL~~

29 ~~EDUCATION LEVEL~~

30 ~~STEP BA BA+15 BA+30 BA+45 BA+60 BA+75~~



1	1	28,065	28,878	29,716	30,579	31,468	32,385
2	2	28,878	29,716	30,579	31,468	32,385	33,329
3	3	29,716	30,579	31,468	32,385	33,329	34,301
4	4	30,579	31,468	32,385	33,329	34,301	35,302
5	5	31,468	32,385	33,329	34,301	35,302	36,332
6	6	32,385	33,329	34,301	35,302	36,332	37,395
7	7	33,329	34,301	35,302	36,332	37,395	38,488
8	8	34,301	35,302	36,332	37,395	38,488	39,615
9	9	35,302	36,332	37,395	38,488	39,615	40,776
10	10	36,332	37,395	38,488	39,615	40,776	41,971
11	11	37,395	38,488	39,615	40,776	41,971	43,202
12	12	38,488	39,615	40,776	41,971	43,202	44,468
13	13	39,615	40,776	41,971	43,202	44,468	45,775

14 ~~(3)~~(2) EFFECTIVE ON THE FIRST DAY OF THE PAY PERIOD THAT INCLUDES JANUARY 1, 2005, THE PAY SCHEDULE
 15 FOR TEACHERS IS AS FOLLOWS:

16 ANNUAL HOURS -- 2080 NOTE: DOES NOT INCLUDE INSURANCE
 17 TERM -- TWELVE MONTHS MATRIX TYPE -- ANNUAL

	EDUCATION LEVEL						
STEP	BA	BA+15	BA+30	BA+45	BA+60	BA+75	
19	1	29,001	29,814	30,652	31,515	32,404	33,321
20	2	29,814	30,652	31,515	32,404	33,321	34,265
21	3	30,652	31,515	32,404	33,321	34,265	35,237
22	4	31,515	32,404	33,321	34,265	35,237	36,238
23	5	32,404	33,321	34,265	35,237	36,238	37,268
24	6	33,321	34,265	35,237	36,238	37,268	38,331
25	7	34,265	35,237	36,238	37,268	38,331	39,424
26	8	35,237	36,238	37,268	38,331	39,424	40,551
27	9	36,238	37,268	38,331	39,424	40,551	41,712
28	10	37,268	38,331	39,424	40,551	41,712	42,907
29	11	38,331	39,424	40,551	41,712	42,907	44,138

1	12	39,424	40,551	41,712	42,907	44,138	45,404
2	13	40,551	41,712	42,907	44,138	45,404	46,711
3	1	27,649	28,462	29,300	30,163	31,052	31,969
4	2	28,462	29,300	30,163	31,052	31,969	32,913
5	3	29,300	30,163	31,052	31,969	32,913	33,885
6	4	30,163	31,052	31,969	32,913	33,885	34,886
7	5	31,052	31,969	32,913	33,885	34,886	35,916
8	6	31,969	32,913	33,885	34,886	35,916	36,979
9	7	32,913	33,885	34,886	35,916	36,979	38,072
10	8	33,885	34,886	35,916	36,979	38,072	39,199
11	9	34,886	35,916	36,979	38,072	39,199	40,360
12	10	35,916	36,979	38,072	39,199	40,360	41,555
13	11	36,979	38,072	39,199	40,360	41,555	42,786
14	12	38,072	39,199	40,360	41,555	42,786	44,052
15	13	39,199	40,360	41,555	42,786	44,052	45,359"

16

17 **Section 5.** Section 2-18-315, MCA, is amended to read:

18 **"2-18-315. Blue-collar pay schedules ~~schedule~~ SCHEDULES.** ~~(+)(1)~~ The pay schedule for blue-collar
 19 workers for the period from July 1, 2001, until beginning the first day of the first full pay period ~~that includes~~
 20 ~~October 2004~~ in fiscal year 2004 is as follows:

21 Annual Hours -- 2080 Note: Does Not Include Insurance

22 Pay Matrix -- Blue-Collar Matrix Type -- Hourly

23	Grade	\$/Hour
24	B1	11.275
25	B2	11.675
26	B3	12.075
27	B4	12.475
28	B5	12.875
29	B6	13.275
30	B7	13.675

1	B8	14.075
2	B9	14.475
3	B10	14.875
4	B11	15.275
5	B12	15.675
6	B13	16.075
7	B14	16.475

8 (2) Effective on the first day of the pay period that includes October 1, 2001, until the first day of the pay
 9 period that includes October 2002, the pay schedule for blue-collar workers is as follows:

10 Annual Hours -- 2080 Note: Does Not Include Insurance

11 Pay Matrix -- Blue-Collar Matrix Type -- Hourly

12	Grade	\$/Hour
13	B1	11.835
14	B2	12.235
15	B3	12.635
16	B4	13.035
17	B5	13.435
18	B6	13.835
19	B7	14.235
20	B8	14.635
21	B9	15.035
22	B10	15.435
23	B11	15.835
24	B12	16.235
25	B13	16.635
26	B14	17.035

27 (3) Effective on the first day of the pay period that includes October 1, 2002, the pay schedule for
 28 blue-collar workers is as follows:

29 Annual Hours -- 2080 Note: Does Not Include Insurance

30 Pay Matrix -- Blue-Collar Matrix Type -- Hourly

1	Grade	\$/Hour
2	B1	12.395
3	B2	12.795
4	B3	13.195
5	B4	13.595
6	B5	13.995
7	B6	14.395
8	B7	14.795
9	B8	15.195
10	B9	15.595
11	B10	15.995
12	B11	16.395
13	B12	16.795
14	B13	17.195
15	B14	17.595

16 ~~(2) EFFECTIVE ON THE FIRST DAY OF THE FIRST FULL PAY PERIOD THAT INCLUDES JANUARY 1, 2004, THE PAY~~
 17 ~~SCHEDULE FOR BLUE COLLAR WORKERS IS AS FOLLOWS:~~

18 ~~ANNUAL HOURS -- 2080~~ ~~NOTE: DOES NOT INCLUDE INSURANCE~~

19 ~~TERM -- BLUE COLLAR~~ ~~MATRIX TYPE -- HOURLY~~

20	GRADE	\$/HOUR
21	B1	12.845
22	B2	13.245
23	B3	13.645
24	B4	14.045
25	B5	14.445
26	B6	14.845
27	B7	15.245
28	B8	15.645
29	B9	16.045
30	B10	16.445

1 B11 16.845

2 B12 17.245

3 B13 17.645

4 B14 18.045

5 ~~(3)~~(2) EFFECTIVE ON THE FIRST DAY OF THE FIRST FULL PAY PERIOD THAT INCLUDES JANUARY 1, 2005, THE PAY
 6 SCHEDULE FOR BLUE COLLAR WORKERS IS AS FOLLOWS:

7 ANNUAL HOURS -- 2080 NOTE: DOES NOT INCLUDE INSURANCE

8 TERM -- BLUE COLLAR MATRIX TYPE -- HOURLY

9 GRADE \$/HOUR

10 B1 13.295

11 B2 13.695

12 B3 14.095

13 B4 14.495

14 B5 14.895

15 B6 15.295

16 B7 15.695

17 B8 16.095

18 B9 16.495

19 B10 16.895

20 B11 17.295

21 B12 17.695

22 B13 18.095

23 B14 18.495

24 B1 12.645

25 B2 13.045

26 B3 13.445

27 B4 13.845

28 B5 14.245

29 B6 14.645

30 B7 15.045

1	B8	15.445
2	B9	15.845
3	B10	16.245
4	B11	16.645
5	B12	17.045
6	B13	17.445
7	B14	17.845"

8

9 **Section 6.** Section 2-18-703, MCA, is amended to read:

10 **"2-18-703. Contributions.** (1) Each agency, as defined in 2-18-601, and the state compensation
 11 insurance fund shall contribute the amount specified in this section toward the group benefits cost.

12 (2) For employees defined in 2-18-701 and, for members of the legislature, the employer contribution
 13 for group benefits is ~~\$295~~ \$366 a month for the period from July 2001 ~~2003~~ through December 2001 ~~2003~~, ~~\$325~~
 14 \$410 a month for the period from January 2002 ~~2004~~ through December 2002 ~~2004~~, and ~~\$366~~ \$460 a month
 15 for January 2003 ~~2005~~ and for each succeeding month. For ~~AND FOR~~ employees of the Montana university
 16 system, the employer contribution for group benefits is ~~\$325~~ \$410 a month for the period from July 2001 ~~2003~~
 17 through June 2002 ~~2004~~ and ~~\$366~~ \$460 a month for the period from July 2002 ~~2004~~ through June 2003 ~~2005~~
 18 and for each succeeding month. ~~When~~ If a state employee is terminated to achieve a reduction in force, the
 19 continuation of contributions for group benefits beyond the termination date is subject to negotiation under
 20 39-31-305. Permanent part-time, seasonal part-time, and temporary part-time employees who are regularly
 21 scheduled to work less than 20 hours a week are not eligible for the group benefit contribution. An employee
 22 who elects not to be covered by a state-sponsored group benefit plan may not receive the state contribution. A
 23 portion of the employer contribution for group benefits may be applied to an employee's costs for participation
 24 in Part B of medicare under Title XVIII of the Social Security Act, as amended, if the state group benefit plan is
 25 the secondary payer and medicare the primary payer.

26 (3) For employees of elementary and high school districts and of local government units, the employer's
 27 premium contributions may exceed but may not be less than \$10 a month. Subject to the public hearing
 28 requirement provided in 2-9-212(2)(b), the increase in a local government's property tax levy for premium
 29 contributions for group benefits beyond the amount of contributions in effect on July 1, 1999, is not subject to
 30 the mill levy calculation limitation provided for in 15-10-420.

1 (4) Unused employer contributions for any state employee must be transferred to an account
 2 established for this purpose by the department of administration and upon transfer may be used to offset losses
 3 occurring to the group of which the employee is eligible to be a member.

4 (5) Unused employer contributions for any government employee may be transferred to an account
 5 established for this purpose by a self-insured government and upon transfer may be used to offset losses
 6 occurring to the group of which the employee is eligible to be a member or to increase the reserves of the group.

7 (6) The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit bona fide
 8 group insurance plans from providing greater or additional contributions for insurance benefits to employees with
 9 dependents than to employees without dependents or with fewer dependents."

10
 11 **NEW SECTION. Section 7. Appropriation.** (1) The following money for the indicated fiscal years is
 12 appropriated to the listed agencies to implement the adjustments provided for in ~~section 6~~ [THIS ACT]:

	Fiscal Year 2004		Fiscal Year 2005	
	General	Other	General	Other
	Fund	Funds	Fund	Funds
16 Legislative Branch	24,969	6,399	81,583	20,908
17 Consumer Counsel		1,277		4,006
18 Judicial Branch	85,726	12,247	268,867	38,410
19 Executive Branch	1,042,381	1,926,519	3,263,472	6,015,663
20 University System	1,087,384	1,182,729	2,323,048	2,526,739
21 LEGISLATIVE BRANCH	74,974	19,214	233,736	59,902
22 CONSUMER COUNSEL		3,876		28,698
23 JUDICIAL BRANCH	196,789	28,113	602,055	86,008
24 EXECUTIVE BRANCH	3,158,491	5,837,495	9,607,443	17,709,710
25 UNIVERSITY SYSTEM	2,096,176	2,279,975	5,349,425	5,818,477
26 LEGISLATIVE BRANCH	24,969	6,399	110,035	28,200
27 CONSUMER COUNSEL		1,277		5,462
28 JUDICIAL BRANCH	85,726	12,247	330,568	47,224
29 EXECUTIVE BRANCH	1,042,381	1,926,519	4,474,666	8,248,297
30 UNIVERSITY SYSTEM	1,087,384	1,182,729	2,883,488	3,136,320

1 (2) The following money is appropriated for the biennium to the office of budget and program planning
 2 to be distributed to agencies when personnel vacancies do not occur, retirement costs exceed agency resources,
 3 or other contingencies arise:

	Fiscal Year 2004	
	General Fund	Other Funds
6 Personal Services Contingency	1,500,000	3,000,000

8 ~~NEW SECTION. SECTION 8. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 360 IS NOT PASSED AND~~
 9 ~~APPROVED, THEN:~~

10 ~~(1) [SECTION 2] OF [THIS ACT], AMENDING 2-18-303, MUST READ:~~

11 ~~"Section 2. Section 2-18-303, MCA, is amended to read:~~

12 ~~"2-18-303. Procedures for using pay schedules. (1) The pay schedules schedule provided in~~
 13 ~~2-18-312 must be implemented as follows:~~

14 ~~(a) The pay schedules schedule provided in 2-18-312 indicate indicates the entry salary and market~~
 15 ~~salary for each grade for positions classified under the provisions of part 2 of this chapter.~~

16 ~~(b) Each employee newly hired by the state of Montana must be hired at the entry rate, except as~~
 17 ~~provided in subsections (6) through (9):~~

18 ~~(c) On the first day of the first complete pay period in fiscal year 2002 2004, each employee is entitled~~
 19 ~~to the amount of the employee's base salary as it was on June 30, 2001 2003.~~

20 ~~(d) Effective on the first day of the pay period that includes an employee's anniversary date during the~~
 21 ~~fiscal years ending June 30, 2002, and June 30, 2003, the employee's base salary must be increased by 4%~~
 22 ~~or by a lesser amount so that the employee's base salary after the increase does not exceed the maximum~~
 23 ~~salary of the pay grade as provided in subsection (1)(f). An employee's base salary increases resulting from~~
 24 ~~subsection (1)(e) and this subsection may not exceed a maximum of 4% in each fiscal year. For employees hired~~
 25 ~~on or before September 30, 1994, the anniversary date is October 1.~~

26 ~~(e)(d) An employee's base salary may be no less than the entry salary for the employee's assigned~~
 27 ~~grade.~~

28 ~~(f)(e) The maximum salary for each grade is determined by subtracting the entry salary from the market~~
 29 ~~salary and adding that amount to the market salary.~~

30 ~~(2) The pay schedules schedule provided in 2-18-312 and the provisions of subsection (1) of this section~~

1 do not apply to those teachers or blue-collar occupations compensated under the pay schedules provided in
 2 2-18-313 and 2-18-315.

3 ~~———— (3) The pay schedules provided in 2-18-313 and 2-18-315 must be implemented as follows:~~

4 ~~———— (a) (i) The pay schedules schedule provided for in 2-18-313 indicate indicates the annual compensation~~
 5 ~~for teachers employed under the authority of the department of corrections or the department of public health~~
 6 ~~and human services for fiscal years 2002 2004 and 2003 2005.~~

7 ~~———— (ii) The compensation of each teacher on July 1, 2001 2003, is the same as it was on June 30, 2001~~
 8 ~~2003.~~

9 ~~———— (iii) On the first day of the first pay period that includes October 1 of each fiscal year, a teacher employed~~
 10 ~~under the authority of the department of public health and human services or the department of corrections~~
 11 ~~before October 1, 1994, shall advance one step on the appropriate pay schedule adopted in 2-18-313. A teacher~~
 12 ~~hired after October 1, 1994, shall advance on the teacher's actual anniversary date.~~

13 ~~———— (b) The pay schedules schedule provided in 2-18-315 indicate indicates the maximum hourly~~
 14 ~~compensation for fiscal years ending June 30, 2002 2004, and June 30, 2003 2005, for employees in apprentice~~
 15 ~~trades and crafts and other blue-collar occupations recognized in the state blue-collar classification plan who~~
 16 ~~are members of units that have collectively bargained separate classification and pay plans.~~

17 ~~———— (c) The compensation of each employee on the first day of the first pay period in each fiscal year is that~~
 18 ~~amount corresponding to the grade occupied on the last day of the preceding fiscal year.~~

19 ~~———— (4) (a) (i) A If the legislature authorizes a pay increase for state employees, a member of a bargaining~~
 20 ~~unit may not receive a pay increase until the employer's collective bargaining representative receives written~~
 21 ~~notice that the employee's bargaining unit has ratified a completely integrated collective bargaining agreement~~
 22 ~~covering the biennium ending June 30, 2003.~~

23 ~~———— (ii) If ratification of a completely integrated collective bargaining agreement, as required by subsection~~
 24 ~~(4)(a)(i), is not completed by July 1, 2001 the date on which a legislatively authorized pay increase is~~
 25 ~~implemented, retroactivity to that date may be negotiated.~~

26 ~~———— (iii) If ratification of a completely integrated collective bargaining agreement, as required by subsection~~
 27 ~~(4)(a)(i), is not completed by July 1, 2001 the date on which a legislatively authorized pay increase is~~
 28 ~~implemented, members of the bargaining unit must continue to receive the compensation that they were~~
 29 ~~receiving as of June 30, 2001, until an agreement is ratified.~~

30 ~~———— (b) Methods of administration not inconsistent with the purpose of this part and necessary to properly~~

1 implement the pay schedules and adjustments provided in 2-18-312, 2-18-313, 2-18-315, and this section may
2 be provided for in collective bargaining agreements:

3 ~~———— (5) The current wage or salary of an employee may not be reduced by the implementation of the pay
4 schedules provided for in 2-18-312, 2-18-313, and 2-18-315.~~

5 ~~———— (6) The department may authorize a separate pay schedule for classes of medical professionals if the
6 rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified professionals.~~

7 ~~———— (7) (a) The department may develop and implement an alternative pay and classification plan for certain
8 classes, occupations, and work units. Pay for employees in the alternative pay and classification plan may be
9 established and changed based on demonstrated competencies and accomplishments, on the labor market, and
10 on other situations defined by the department.~~

11 ~~———— (b) To the extent that the plan applies to employees within a collective bargaining unit, the
12 implementation of the plan is a negotiable subject under 39-31-305.~~

13 ~~———— (8) The department may develop programs that enable the department to mitigate problems associated
14 with difficult recruitment, retention, transfer, or other exceptional circumstances. To the extent that the program
15 applies to employees within a collective bargaining unit, it is a negotiable subject under 39-31-305.~~

16 ~~———— (9) The department shall review the competitiveness of the compensation provided to all occupations
17 under this part. If the department finds that substantial problems exist with recruitment and retention because
18 of inadequate salaries when compared to competing employers, the department may establish criteria allowing
19 an adjustment in pay or classification to mitigate the problems. To the extent that these adjustments apply to
20 employees within a collective bargaining unit, the implementation of these adjustments is a negotiable subject
21 under 39-31-305."~~

22 ~~———— (2) [SECTION 4] OF [THIS ACT], AMENDING 2-18-313, MUST READ:~~

23 ~~———— "Section 4. Section 2-18-313, MCA, is amended to read:~~

24 ~~———— "2-18-313. Teachers' pay schedules schedule. (1) The pay schedule for teachers for the period that
25 includes October 1, 2001, until beginning the first day of the first full pay period that includes October 1, 2002,
26 in fiscal year 2004 is as follows:~~

27	Annual Hours -- 2080						Note: Does Not Include Insurance
28	Term -- Twelve Months						Matrix Type -- Annual
29	Education Level						
30	STEP	BA	BA+15	BA+30	BA+45	BA+60	BA+75

1	1	26,085	26,867	27,673	28,503	29,359	30,239
2	2	26,867	27,673	28,503	29,358	30,239	31,147
3	3	27,673	28,503	29,358	30,239	31,147	32,082
4	4	28,503	29,358	30,239	31,147	32,082	33,044
5	5	29,358	30,239	31,147	32,082	33,044	34,035
6	6	30,239	31,147	32,082	33,044	34,035	35,056
7	7	31,147	32,082	33,044	34,035	35,056	36,108
8	8	32,082	33,044	34,035	35,056	36,108	37,191
9	9	33,044	34,035	35,056	36,108	37,191	38,307
10	10	34,035	35,056	36,108	37,191	38,307	39,457
11	11	35,056	36,108	37,191	38,307	39,457	40,640
12	12	36,108	37,191	38,307	39,457	40,640	41,858
13	13	37,191	38,307	39,457	40,640	41,858	43,114

14 (2) Effective on the first day of the pay period that includes October 1, 2002, the pay schedule for
 15 teachers is as follows:

16 Annual Hours -- 2080 Note: Does Not Include Insurance

17 Term -- Twelve Months Matrix Type -- Annual

18 Education Level

19

20	STEP	BA	BA+15	BA+30	BA+45	BA+60	BA+75
21	1	27,129	27,942	28,780	29,643	30,532	31,449
22	2	27,942	28,780	29,643	30,532	31,449	32,393
23	3	28,780	29,643	30,532	31,449	32,393	33,365
24	4	29,643	30,532	31,449	32,393	33,365	34,366
25	5	30,532	31,449	32,393	33,365	34,366	35,396
26	6	31,449	32,393	33,365	34,366	35,396	36,459
27	7	32,393	33,365	34,366	35,396	36,459	37,552
28	8	33,365	34,366	35,396	36,459	37,552	38,679
29	9	34,366	35,396	36,459	37,552	38,679	39,840
30	10	35,396	36,459	37,552	38,679	39,840	41,035

1	11	36,459	37,552	38,679	39,840	41,035	42,266
2	12	37,552	38,679	39,840	41,035	42,266	43,532
3	13	38,679	39,840	41,035	42,266	43,532	44,839"

4 ~~(3) [SECTION 5] OF [THIS ACT], AMENDING 2-18-315, MUST READ:~~

5 ~~"Section 5. Section 2-18-315, MCA, is amended to read:~~

6 ~~"2-18-315. Blue-collar pay schedules schedule.~~ (1) The pay schedule for blue-collar workers for the
 7 period from July 1, 2001, until beginning the first day of the first full pay period that includes October 2001 in
 8 fiscal year 2004 is as follows:

9 Annual Hours -- 2080 Note: Does Not Include Insurance

10 Pay Matrix -- Blue-Collar Matrix Type -- Hourly

11	Grade	\$/Hour
12	B1	11.275
13	B2	11.675
14	B3	12.075
15	B4	12.475
16	B5	12.875
17	B6	13.275
18	B7	13.675
19	B8	14.075
20	B9	14.475
21	B10	14.875
22	B11	15.275
23	B12	15.675
24	B13	16.075
25	B14	16.475

26 ~~(2) Effective on the first day of the pay period that includes October 1, 2001, until the first day of the pay~~
 27 ~~period that includes October 2002, the pay schedule for blue-collar workers is as follows:~~

28 Annual Hours -- 2080 Note: Does Not Include Insurance

29 Pay Matrix -- Blue-Collar Matrix Type -- Hourly

30	Grade	\$/Hour
----	-------	---------

1	B1	11.835
2	B2	12.235
3	B3	12.635
4	B4	13.035
5	B5	13.435
6	B6	13.835
7	B7	14.235
8	B8	14.635
9	B9	15.035
10	B10	15.435
11	B11	15.835
12	B12	16.235
13	B13	16.635
14	B14	17.035

15 (3) Effective on the first day of the pay period that includes October 1, 2002, the pay schedule for
 16 blue-collar workers is as follows:

17 Annual Hours -- 2080 Note: Does Not Include Insurance

18 Pay Matrix -- Blue-Collar Matrix Type -- Hourly

19	Grade	\$/Hour
20	B1	12.395
21	B2	12.795
22	B3	13.195
23	B4	13.595
24	B5	13.995
25	B6	14.395
26	B7	14.795
27	B8	15.195
28	B9	15.595
29	B10	15.995
30	B11	16.395

1	B12	16.795
2	B13	17.195
3	B14	17.595"

4 ~~(4) [SECTION 7] OF [THIS ACT], PROVIDING AN APPROPRIATION, MUST READ:~~
 5 ~~"NEW SECTION. SECTION 7. APPROPRIATION. (1) THE FOLLOWING MONEY FOR THE INDICATED FISCAL YEARS~~
 6 ~~IS APPROPRIATED TO THE LISTED AGENCIES TO IMPLEMENT THE ADJUSTMENTS PROVIDED FOR IN [SECTION 6]:~~

	FISCAL YEAR 2004		FISCAL YEAR 2005		
	GENERAL	OTHER	GENERAL	OTHER	
	FUND	FUNDS	FUND	FUNDS	
10	LEGISLATIVE BRANCH	24,969	6,399	81,583	20,908
11	CONSUMER COUNSEL		1,277		4,006
12	JUDICIAL BRANCH	85,726	12,247	268,867	38,410
13	EXECUTIVE BRANCH	1,042,381	1,926,519	3,263,472	6,015,663
14	UNIVERSITY SYSTEM	1,087,384	1,182,729	2,323,048	2,526,739

15 ~~(2) THE FOLLOWING MONEY IS APPROPRIATED FOR THE BIENNIUM TO THE OFFICE OF BUDGET AND PROGRAM~~
 16 ~~PLANNING TO BE DISTRIBUTED TO AGENCIES WHEN PERSONNEL VACANCIES DO NOT OCCUR, RETIREMENT COSTS EXCEED~~
 17 ~~AGENCY RESOURCES, OR OTHER CONTINGENCIES ARISE:~~

	FISCAL YEAR 2004	
	GENERAL FUND	OTHER FUNDS
20	PERSONAL SERVICES CONTINGENCY	3,000,000"

21
 22 **NEW SECTION. Section 8. Effective date.** [This act] is effective July 1, 2003.

23 - END -